

THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

And

THE HON'BLE SRI JUSTICE D.APPA RAO

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WRIT PETITION No.10404 of 2006

ORDER: (per the hon'ble Sri Justice L.Narasimha Reddy)

210 cartons of groundnut oil belonging to the petitioner was seized during the course of transit, on the ground that the documents in relation to the goods were fictitious. Invoking the powers under the Andhra Pradesh Value Added Tax Act, 2005 (for short 'the Act'), the first respondent proposed to confiscate the seized goods. The petitioner challenges the very seizure by contending that there was absolutely no basis for having recourse to such an extreme step.

Heard the learned counsel for the petitioner and the learned Special Government Pleader for Commercial Taxes.

It is true that the Act provides for seizure and confiscation of goods under certain circumstances. In the instant case, the respondents have suspected the genuinity of the documents, in relation to the seized goods. Having regard to the basic functions and activity of the Department of Commercial Taxes, the emphasis must be on collecting the tax, if due, as well as the penalty, where it is warranted. Confiscation of the entire goods, as a matter of course, would cripple the trade and business.

Having regard to the facts and circumstances of the case, the Writ Petition is disposed of, directing release of the goods seized from the petitioner, subject to its making a deposit of Rs.25,000/- (Rupees Twenty Five Thousand Only). It is made clear that the amount, so deposited, shall be subject to the outcome of the proceedings initiated against the petitioner. The petitioner shall cooperate

with the concerned authorities in concluding the proceedings. There shall be no order as to costs.

(L.NARASIMHA REDDY, J)

(D.APPA RAO, J)

24th May, 2006.
Jsu/Dr

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Date: 24.05.2006